CHAPTER I

PROJECT/GRANT ADMINISTRATION

Introduction

The success of a Community Development Block Grant (CDBG) project depends upon careful management and administration.

This involves planning and scheduling, knowledge and responsibility of a variety of management functions, effective oversight of program activities and attention to detail.

The project should be managed to maintain progress and assure compliance. The CDBG policies and regulations are proper, sound business practices for the completion of any public project. The knowledge and understanding of these policies and regulations will allow for a process that will work hand in hand with achieving the desired project goals.

This manual is designed to assist CDBG recipients with project activities and compliance. It contains the regulation, policy or rule, and a number of forms and samples to assist with managing the grant and understanding the process.

The initial project/grant management responsibilities are:

- 1. Standard procedure
- 2. Selection of an administrator
- 3. Duties that are key to the program
- 4. Recordkeeping
- 5. Internal monitoring
- 6. File structure

Careful attention to these matters will help get the project started properly.

Other important sections in this chapter:

- Sample Administration File Structure
- Monitoring Checklists/Desk Review
- Conflict of Interest Policy
- Property Management

STANDARD PROCEDURE

A variety of procedures exist that must be fulfilled for your CDBG project/grant to be successful. We want to ensure an effective and efficient use of public dollars. The requirements should not be viewed as a hindrance. Rather, they are tools for the community to protect their own and the public's interests as investors in the project. Each area of responsibility is discussed in greater detail in later sections of this handbook.

Briefly, those responsibilities include:

7. General Program/Grant Management:

- a. recordkeeping (saving documents, filing, keeping receipts, etc.);
- b. financial management (tracking all of the project dollars);
- c. citizen participation (including your citizens in the project);
- d. procurement (how to purchase materials and select contractor);
- e. contract and property management (who to contract with and what the document should say); and
- f. close-out and audit requirements (how to finalize your project).
- 8. **Environmental Requirements** The process that examines what effect your project activities will have on the environment.
- 9. **Labor Standards** Payment of state prevailing wage and Federal Davis Bacon wages to all contractor employees.
- 10. **Civil Rights** Ensuring equal opportunity under the law.
- 11. **Acquisition and Relocation** Protecting landowner and homeowner rights.

Knowledge of these responsibilities allows the community to start initial planning of the administrative structure and processes to make certain that these responsibilities are fulfilled. Decisions must be made about how the program will be administered and who will be responsible for various tasks that must be carried out along the way to program completion.

REGARDLESS OF THE ADMINISTRATIVE METHOD USED, THE GRANTEE HAS THE RESPONSIBILITY OF SEEING THAT THE GRANT IS CARRIED OUT PROPERLY AND RETAINS LIABILITY FOR THE GRANT.

SELECTING AN ADMINISTRATOR

There are three basic approaches that the community can take to the management of the CDBG grant.

- 12. The community may manage the grant itself, using available staff.
- 13. The community may hire new staff specifically for purposes of managing the grant.
- 14. The community may contract with a third party (e.g., a regional planning commission or a private consultant) to manage the grant.

Each approach has advantages and disadvantages, and the choice should be made on the basis of careful consideration of the circumstances in the community and the nature of the funded project.

Using Current Staff

This approach has certain advantages. Individuals involved with the project will be familiar with existing administrative routines, and they will know where to go to obtain needed support and information. They will be familiar with the community's goals, particularly if they were involved in planning for the project; thus, they can ensure project implementation in a way that is consistent with those goals. In addition, the use of existing staff eliminates the need to hire and train new staff. It avoids any problems the community might face in working with a third party.

This approach should probably be taken if the community has available staff with sufficient time to undertake the added responsibilities. Staff will either need to work on an overtime, extracompensation basis, or they will have to defer other activities. Competent staff should be able to manage the program well, if they engage in sufficient administrative planning. Previous work with Federal grants provides important experience, since a variety of Federal laws and regulations apply to project activities.

Regular city staff whose time is committed to the grant project cannot be paid from the grant funds unless they receive overtime pay, their salaries are increased to reflect additional duties associated with the CDBG program, or their job descriptions are temporarily changed to defer or reassign duties. Grant funds are paid to the general fund and the extra pay dispersed through the regular employee-pay method. Only the addition to their salary can be paid from grant funds, and this **must** be approved by DED before such salary costs are incurred. All hours worked on the program must be documented with time sheets for each employee involved, and payment must coincide with hours worked. Suggested employee roles for local administration are included herein.

Hiring New Staff

If current staff do not have sufficient time to administer the project, consideration should be given to hiring additional staff to provide necessary support. The advantage of this approach is that the person or persons hired for this purpose will be on hand on a daily basis and will be able to work closely with local officials in administering the grant. A problem is that it may be difficult to find qualified individuals for temporary, perhaps part-time positions. Again, all employees paid from CDBG funds must document time spent on the grant with timesheets, as payment must be for CDBG work only.

Contracting Out

A third approach is to contract with a regional planning commission or private consultant to provide the necessary support. Many such organizations already have experience with CDBG and similar programs. They can bring considerable expertise to bear and relieve local officials of much of the burden of administering the grant. Engineering firms may qualify to administer a grant. However, an engineering firm cannot perform both administration and engineering on the same grant.

Someone on city staff should be familiar with project requirements so that the work of an outside administrator can be monitored properly, **as the grantee remains responsible for proper administration**. An administrator is simply another contractor of the community.

No grantee will be penalized if it does not have the capacity to properly administer the grant from existing staff members; rather, they should propose that an outside firm will be contracted or new staff will be hired, as appropriate, to administer the grant. Every grant must be administered by a competent person who will properly oversee the requirements set forth by Federal law and state regulations; therefore, the grantee must be assured competent administration when deciding this issue.

The program administration structure should be guided by the scope and difficulty of the approved CDBG program, prior grant experience, proper internal control, and financial management requirements. For example, a small-scale public facilities project with a single construction contract need not have an elaborate management structure. On the other hand, a housing rehabilitation program or economic development project may involve several contractors, bank negotiations, escrow accounts, the purchase of land and easements and the management of a revolving loan fund.

If the community decides to retain an outside organization to administer the project and proposes to use grant monies as all or part of administration payment, it must use the competitive proposal process (see the Procurement Chapter) to ensure that it receives the best help for the best price. It should use a well-developed contract to govern the relationship between itself and the administrator, specifying carefully the work elements to be completed and the time schedule for completion of the work elements. The community may wish to retain some administrative responsibilities. All such arrangements should be carefully spelled out in any contract.

The Procurement Chapter describes the **required** method of procurement that solicits all known grant administrators and the area RPC.

Contracts for administrative services cannot be on a pro-rated basis as the method of payment (a set amount per month for a pre-determined number of months) if CDBG money is used to pay for administration. As with any contract, payments should be based on monthly cost reimbursement or a percentage payment after milestones in the grant.

REGARDLESS OF WHAT METHOD IS CHOSEN FOR GRANT ADMINISTRATION, GRANT FILES MUST BE RETAINED AT THE GRANTEE'S OFFICE OF BUSINESS.

Financial Management is the responsibility of the grantee, and cannot be contracted out to a grant administrator.

Responsible Local Individual:

One person should be assigned as the point of contact for communication between:

- Grantee and state
- Grantee and administrator
- Grantee and contractors
- Grantee and engineer

SUGGESTED ROLES FOR GRANTEE ADMINISTRATION

As noted, there are several areas of responsibility related to CDBG project/grant management. Also, as noted, there are a variety of approaches that can be taken to administer the project. However, it is useful for a community administering its own grant to think about two essential roles that should be clearly defined: Community Development Project Manager and Community Development Finance Officer.

Responsibilities of Community Development Project Manager

The Community Development Project Manager shall have overall project responsibility and shall be the focal point for the resolution of any problems that may develop in the course of project implementation. Specifically, this individual shall have the following responsibilities:

- oversee recipient and contractor compliance with statutory/program requirements;
- contact point with DED;
- recommend approval of third-party contracts;
- recommend approval for purchase orders;
- recommend and/or approve invoices/contractor payment;
- oversee field review of project activities;
- oversee project progress;
- oversee CDBG budget/project amendments;
- maintain project files;
- complete DED reports on project performance;
- monitor third-party contracts;
- submit final close-out report(s); and
- oversee annual audit requirements.

Responsibilities of the Finance Officer

The Finance Officer is responsible for maintaining official CDBG financial records. The Finance Officer will be responsible for the following:

- maintenance and control of accounting documents approved for processing by the Community Development Project Manager;
- preparation of financial reports based on accounting records;
- preparation of grant requisitions (Request For Funds Form) subject to review by Community Development Project Manager;
- entry of these and other accounting transactions into the accounting system; and
- maintenance of financial process files (working files).

In managing CDBG financial resources, there must be an appropriate division of responsibility regarding the request and receipt of CDBG monies. Proper internal control should be exercised to guard against opportunities for waste, fraud, and mismanagement.

RECORDKEEPING

An adequate recordkeeping and filing system for the Missouri CDBG program is essential to document both recipient fulfillment of applicable regulations and accomplishment of program activities. Complete records are necessary for the two major aspects of CDBG audit, financial soundness and program compliance. Without adequate records to support programmatic decisions, even the best performed program will receive an adverse audit. As noted earlier, all files and records must be kept at grantee's business offices and must be available to the public during regular business hours, except confidential files relating to housing and/or economic development. Grantees are required to control grant funds and establish adequate safeguards to protect the records that document CDBG transactions.

Record Retention Requirements

CDBG program records are to be maintained for a period of **five years**.

In the event of litigation, claims or other unresolved legal issues, the five-year period begins with the date noted on the Certificate of Completion. If litigation or other legal matters extend beyond the five-year period following the date on the Certificate of Completion, then the records retention period extends to the date of the final judgment or ruling in the case. The records retention requirement applies to "source documentation." This term refers to any writing that activates a flow of funds. Source documentation comprises purchase orders, invoices, contracts, checks, budget transfer memoranda and other transaction documentation. It also includes writings that verify compliance with nonfinancial components of program administration, such as inspection reports that confirm fulfillment of applicable regulations. For example, if a housing unit is inspected for lead-based paint, an inspection report noting the findings should be completed and filed. Original documents are preferred, but copies are acceptable as source documents.

File Management Considerations

The importance of maintaining a logical and complete filing system cannot be overemphasized. The key consideration in designing any system is that it creates a clear "audit trail." This means that every transaction can be traced from beginning to end. (For example, a simple purchase of goods might begin with a purchase requisition followed by a purchase order that is matched with a receiving report when the goods arrive. These documents are then matched with a vendor's invoice and a check is processed. After appropriate accounting entries are made and the cancelled check is returned, the entire transaction may be filed.) Thus, the purchase may be traced from beginning to end by source documentation. The process of tracing is the primary concern of program auditors. A record and filing system that enables an auditor to quickly and easily trace transactions using source documentation and coding references will generally result in a favorable audit report. See grant audit requirements in the Close-out Chapter of this manual.

INTERNAL MONITORING

One of the most important functions undertaken by CDBG grant recipients is monitoring, or grant oversight. The four primary components of CDBG monitoring are progress on planned activities, program compliance, fiscal management and fiscal compliance. This will require development of a monitoring system that will allow recipients to:

- manage their community development program as a whole, and individual projects and activities substantially, as described in the approved CDBG application;
- maintain program or project progress;
- determine that costs charged to the project are eligible;
- ensure that all program activities comply with all applicable laws and regulations and terms
 of the grant agreement; and
- eliminate the opportunity for fraud, waste, and mismanagement.

The key to successful monitoring of many different contracts simultaneously is to maintain constant contact with the contractors. This can be accomplished by frequent discussions and site visits as well as the formal means of communication. These site visits should include checks of progress toward project milestones, a review of compliance with each contract provision, and confirmation of satisfactory work prior to the approval of each invoice. Only by making these efforts can recipients ensure that CDBG program progress is being maintained as specified by the CDBG contract with DED. Please refer to the Contract Management Chapter in this manual.

Recipients must also develop procedures to monitor internal management. For example, it is absolutely essential that the Request for Release of Funds and Certification be approved by DED prior to the commencement of any CDBG activity other than administration (See the Environmental Review Chapter). Ensuring that program files are properly maintained, that adequate books and records are kept, and that reports to DED are submitted on a timely basis requires a system of internal monitoring.

By properly monitoring their program, recipients can promptly identify problems, make appropriate corrections while activities are ongoing, communicate with subrecipients on a routine basis, and report overall program status at any point in time.

Two suggestions to assist with internal monitoring follow:

- 1. A recommended file structure; and
- 2. A compliance monitoring checklist.

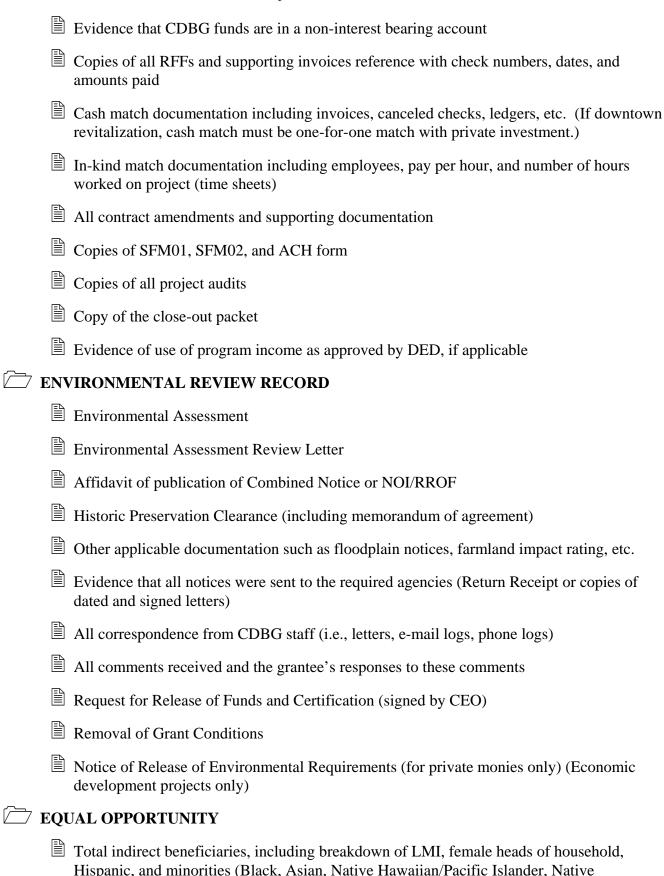
RECOMMENDED FILE STRUCTURE

Grant files are divided into categories and are coded to facilitate placement and retrieval of documents. If a recipient has more than one CDBG grant, separate files should be kept to distinguish between grant years. A sample of the CDBG file categories and their contents follows.

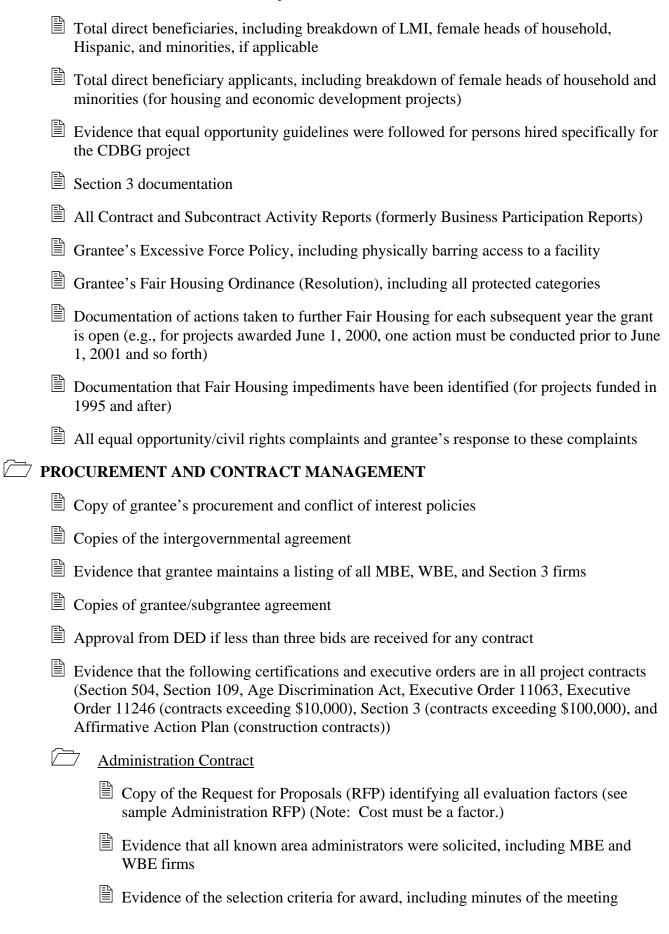
CDBG ADMINISTRATION FILE STRUCTURE

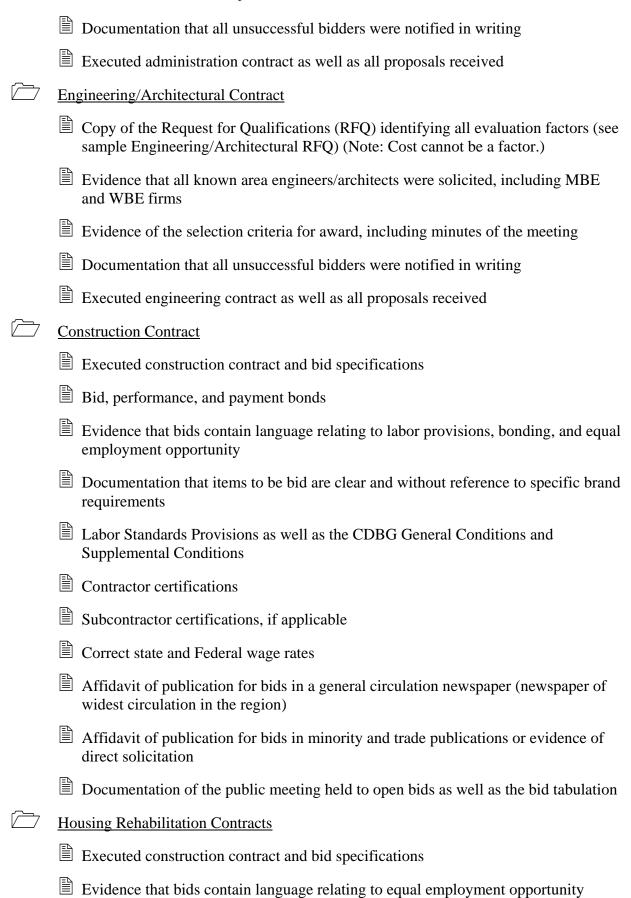
Following is a recommended file structure for administering CDBG projects. The structure includes the documentation that should be included in each file. However, please note that this structure is not all-inclusive, but rather a thorough outline. If this structure is followed, grantees should have few, if any, monitoring findings.

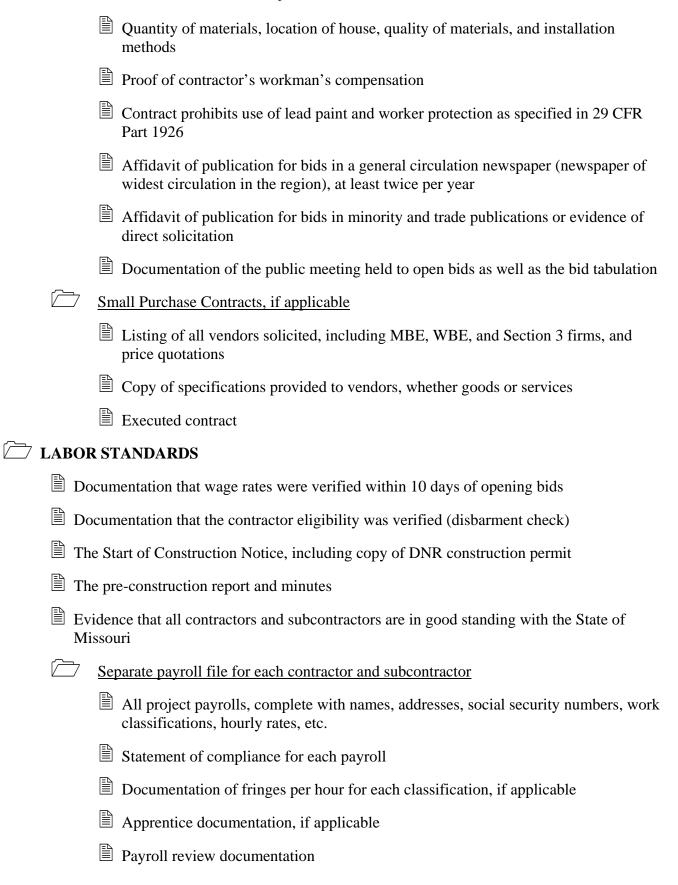
NATIONAL OBJECTIVE All income surveys and tabulation sheet, if applicable Documentation of 51% LMI from census information, if applicable Documentation of alleviating slums and blight, if applicable Documentation of meeting an urgent health and safety need, if applicable Verification of income for direct hookups utilizing CDBG funds, including copies of bank statements, tax returns, social security, disability reports, etc. CITIZEN PARTICIPATION Affidavit of publication for application public hearing Minutes of application public hearing Affidavit of publication for the public hearing held to review grant performance Minutes of performance review public hearing All criticisms, complaints, and grantees' responses to these criticisms and complaints Documentation of actions taken to involve all citizens in implementing the project PROPERTY MANAGEMENT List of all personal property purchased with CDBG funds Complete register of all property acquired FINANCIAL MANAGEMENT Dopy of the CDBG Administrative Manual Funding Approval/Grant Agreement Checkbook Activity ledger Bank statements and evidence of reconciliation All canceled checks



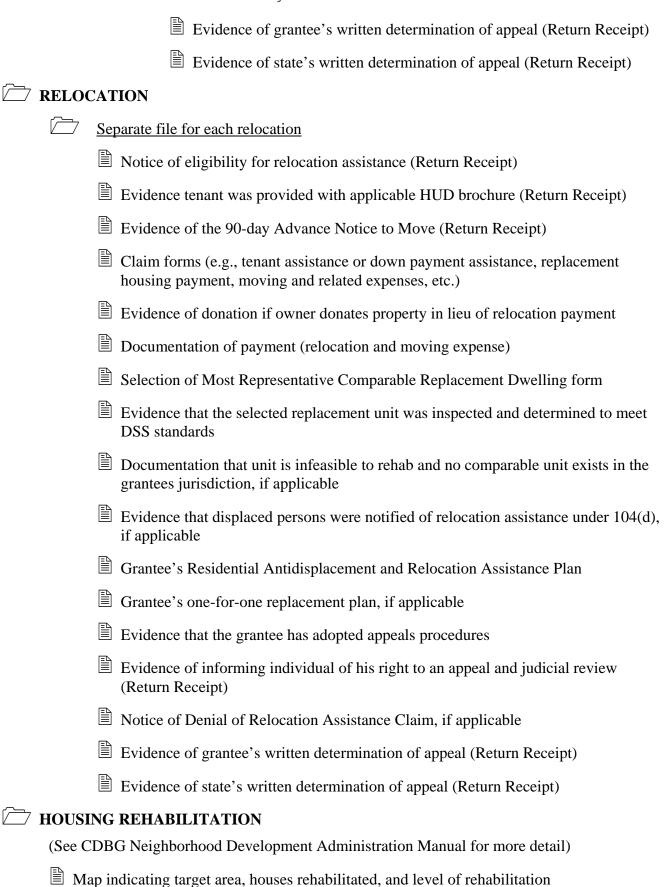
American, etc.)

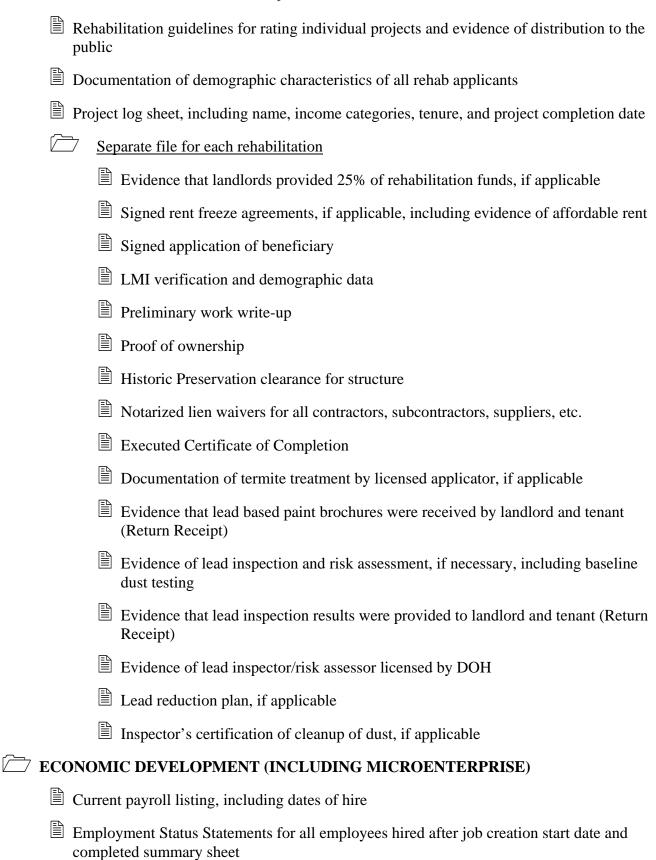






Employee interviews to cover a representative number of trades throughout the project **ACQUISITION** Separate file for each property acquisition Preliminary acquisition notice to acquire, including invitation to accompany appraiser Documentation that all landowners were provided with the brochure "When A Public Agency Acquires Your Property" (Return Receipt or signed statement) **Donations** Waiver of rights to just compensation and release of grantee's obligation to an appraisal If not waived, copy of appraisal or determination of value data All required title documentation including deed, recording evidence, etc. Voluntary Acquisition Evidence of advertisement or invitation of property solicitation, including non-specific site and option to not acquire if negotiations fail Standard Acquisition Appraisal and review appraisal If not appraised, documentation that property valued at less than \$10,000 Written offer to purchase, including statement for determining offer (Return Receipt) Evidence of clear title, survey, deed, and legal description Proof of payment Recorded deed Report of Commendation Commissioners if result of condemnation Written notice not to acquire, if applicable (Return Receipt) Rental agreement and short term lease, if applicable Evidence that the grantee has adopted appeal procedures Evidence the property owner was informed of his right to appeal and judicial review (Return Receipt)





Summary sheet indicating demographic data for all job applicants

Summary of private investment with supporting invoices and/or canceled checks
 If speculative building, evidence of marketing the building
 Documentation of repayment of program income, if applicable
 If microenterprise, copies of loan documents to individual businesses
 If microenteprise, LMI status of owner, if applicable

MONITORING CHECKLISTS

Depending upon the complexity of the project and the familiarity of the grantee with CDBG, a project may be formally monitored either one or two times. The monitoring will be scheduled well in advance with the community and their administrator.

Technical assistance visits may also be made by staff, if requested or determined that it would best suit the grantee and the State's investment of grant dollars. Technical assistance visits are made to assist the grantee toward achieving successful project completion. The experience of the staff toward problem resolution and recommending alternative solutions is a source and a benefit that every grantee needing assistance should utilize.

The following checklists are provided for the benefit of the grantee. They contain the review of every area of compliance for which the grantee is responsible, and they represent the same documents that the field representative uses in determining the performance of the grantee.

STANDARD MONITORING

DESK REVIEW

Grantee		·	Project No.		
Dat	Date of Review		Type of Review		
Rev					
1.	GE:	NERAL INFORMATION			
	A.	Grant/Loan Amount:			
	B.	Award Date:			
	C.	Percent of construction complete:			
	D.	Percent of administrative paperwork complete:			
	E.	Amount of funds remaining:			
	F.	Date of previous monitoring visit:			
	G.	Date findings due:			
		Date findings resolved:			
	I.		le title):		
	J.	Source of acquisition funding:			
	K.	Acquisition done before or after first public hearing?	·		
	L.	Projected close-out date:			
	M.				
		Address:			
	N.	Current Mayor/Presiding Commissioner:			
	O.	Address:			
	P.	Phone #:			

NATIONAL OBJECTIVE

Pro	oject No		Keviev	vci						
1.	LOW AND MODERATE INCOME BENEFIT									
	A. Percent of benefit shown on application (funding approval):									
	B. Benefit is:									
	☐ Citywide ☐ Target Area		Limited Clientele	□ но	ousing Only					
	☐ Post Award Certification		Economic Developme	ent (including	g Microenterprise)					
	C. Benefit determined by census?				☐ Yes	□ No				
	D. LMI survey conducted by grantee?				☐ Yes	□ No				
	100% solicitation proven?				☐ Yes	□ No				
	Applicable return rate achieved?				☐ Yes	□ No				
	E. Actual tabulation of survey in field:									
	Total Persons	_	# LMI		% LMI					
	Total Families	-	# LMI		% LMI					
	F. Is this in accordance with application? (met	hod,	numbers, percentages)	☐ Yes	☐ No				
	If No, explain:									
	G. Did any change in the project scope affect a	☐ Yes	☐ No							
	H. If so, were new beneficiaries surveyed?				☐ Yes	☐ No				
	I. If so, is the national objective still being med	t?			☐ Yes	□ No				
2.	SLUMS AND BLIGHT									
	J. Slums and blight activity is identified as:		☐ Area	☐ Spot	☐ Infeas	ible to Reha				
			☐ Chapter 353	☐ Lo	ocal dangerous buildi	ng code				
	K. Project includes supporting documentation?				☐ Yes	□ No				
	L. Spot slums and blight: All structures vacant	L. Spot slums and blight: All structures vacant for three months prior to demolition?								
	Area CDBG funds used to address deteriora	☐ Yes	□ No							
3.	ACTIVITIES DESIGNED TO MEET URGENT	НЕ	ALTH AND SAFETY	NEEDS						
	(Requirements established at application stage	ge)								
	A. Problem identified as:									
4.	Is the grantee's file for this compliance area com	plete	e?		☐ Yes	□ No				
	COMMENTS:									

CITIZEN PARTICIPATION

FIC	oject No Reviewer			
1.	Are grant records kept at grantee's office?		☐ Yes	□ No
2.	Is documentation of public hearing available in the grantee files?		☐ Yes	□ No
3.	Has the performance public hearing been held?		☐ Yes	□ No
	Date of publication:			
	Date of hearing:			
	Place held:			
	Affidavit of publication and minutes in file?	☐ Yes	□ No	□ N/A
4.	Were all public hearings accessible to handicap (disabled) persons?	☐ Yes	□ No	□ N/A
5.	Were all public hearing notices published or posted sufficiently?	☐ Yes	□ No	□ N/A
6.	Is there an indication in the community that an interpreter was needed?	☐ Yes	□ No	□ N/A
	If so, was one provided at the hearing?	☐ Yes	□ No	□ N/A
		☐ Yes	□ No	□ N/A
7.	Have any criticisms or complaints been received in writing regarding the program?	— 1 C3	- 110	- 1 1/1
	If Yes, explain how they were handled:			
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug	hout all stages	of the proje	ect.
	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance	hout all stages	of the proj	ect.
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access?	hout all stages	of the proje	ect.
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access? B. Does the grantee have 15 or more employees?	hout all stages Yes Yes	of the proje	ect.
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access?	hout all stages	of the proje	ect.
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access? B. Does the grantee have 15 or more employees? i. If so, has the grantee completed a Section 504 Transition Plan based on the	hout all stages Yes Yes	of the proje	ect.
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access? B. Does the grantee have 15 or more employees? i. If so, has the grantee completed a Section 504 Transition Plan based on the results of the self-evaluation?	hout all stages Yes Yes Yes Yes	of the projection of the proje	ect.
8.	If Yes, explain how they were handled: List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access? B. Does the grantee have 15 or more employees? i. If so, has the grantee completed a Section 504 Transition Plan based on the results of the self-evaluation? ii. Has the grantee designated a Section 504 Coordinator?	hout all stages ☐ Yes ☐ Yes ☐ Yes ☐ Yes ☐ Yes	of the projection of the proje	ect.
8.9.	List any additional ways the grantee has demonstrated efforts to involve citizens throug Section 504 Compliance A. Has the grantee completed a self-evaluation of program access? B. Does the grantee have 15 or more employees? i. If so, has the grantee completed a Section 504 Transition Plan based on the results of the self-evaluation? ii. Has the grantee designated a Section 504 Coordinator? Provide name and title: iii. Has the grantee adopted a written grievance procedure to resolve complaints	hout all stages ☐ Yes ☐ Yes ☐ Yes ☐ Yes ☐ Yes	of the proje	ect.

PROPERTY MANAGEMENT

Pro	ject No Reviewer			
1.	Was any personal property purchased with CDBG funds? (If Yes, complete the remaining questions.)	☐ Yes	□ No	
2.	Is CDBG funded, nonexpendable personal property identified with an inventory tag or other control?	☐ Yes	□ No	□ N/A
	List tagged items:			
3.	If any real property was purchased, was it titled correctly to the owner (either the grantee or not-for-profit)?	☐ Yes	□ No	——— N/A
	A. If so, is the real property deed restricted to prevent resale for undue enrichment?	☐ Yes	□ No	□ N/A
	B. Is the deed restriction for twenty years?	☐ Yes	□ No	□ N/A
4.	Is the grantee's file for this compliance area complete? COMMENTS:	☐ Yes	□ No	

FINANCIAL MANAGEMENT

Project No		To Reviewer		
1.	CAS	Н		
	A. I	Does the grantee record all cash transactions in a checkbook?	☐ Yes	□ No
	В. 1	Does the grantee use activity ledgers?	☐ Yes	□ No
	C. A	Are RFFs based on either work completed and invoiced or projected cash needs?	☐ Yes	□ No
2.	BAN	IK STATEMENT RECONCILIATION		
	A. A	Are checkbook balances reconciled to bank statements monthly?	☐ Yes	□ No
	B. 1	Is the bank statement reconciliation documented?	☐ Yes	□ No
	C. 1	Is the person reconciling monthly bank statements prohibited from signing checks?	☐ Yes	□ No
	D. A	Are two signatures required on all checks?	☐ Yes	□ No
]	If No, is person writing checks prohibited from signing them?	☐ Yes	□ No
	E. 1	Is the person authorized to sign checks different from the person who signs RFFs?	☐ Yes	□ No
		Check a sample of canceled checks. Are all dates, payee, amounts, endorsements, and signatures proper?	☐ Yes	□ No
	G. 1	Did the grantee spend all cash in excess of \$1,000 within the 5 days allowed?	☐ Yes	□ No
	Н. 1	Is the CDBG bank account non-interest bearing?	☐ Yes	□ No
	I. 1	If interest was earned, was the interest returned to DED?	☐ Yes	□ No
3.	МАТ	TCHING FUNDS		
		If the grantee was required to use matching funds, is there a record of all matching funds used, including supporting documentation?	☐ Yes	□ No
	B. 1	Documentation:		
		Funding Approval Amount		
		Cash match		
		In-kind match		
		Other		
	_	Private Match		
		Did the grantee expend the amount of matching funds pledged in the application (funding approval)?	☐ Yes	□ No
		Is there any evidence of CDBG funds used to reimburse local funds expended prior to environmental release of CDBG funds?	☐ Yes	□ No
		Is there any evidence of CDBG funds used to reimburse local funds expended prior to the grant award date?	☐ Yes	□ No
		If Downtown Revitalization, is there a dollar-for-dollar match of eligible private investment funds?	☐ Yes	□ No
4.	AUD	DIT TRAIL		
	A. A	Are all accounting transactions supported by invoice?	☐ Yes	□ No

	B. Are invoices properly referenced with check numbers, dates, RFF numbers, fundi sources, and amounts paid?	ng	☐ Yes	□ No
	C. Are all expenses allowable per grant agreement?		☐ Yes	□ No
	D. For in-kind or local labor, are payrolls supported by time sheets?		☐ Yes	□ No
5.	PROGRAM INCOME			
	A. If earned, was program income disclosed in financial records?	☐ Yes	□ No	□ N/A
	B. Was program income used for eligible activities?	☐ Yes	□ No	□ N/A
	C. Was the eligible expenditure of program income approved by DED prior to use?	☐ Yes	□ No	□ N/A
	D. Are all reports on program income current with DED requirements?	☐ Yes	□ No	□ N/A
6.	Is the grantee's file for this compliance area complete?		☐ Yes	□ No
	COMMENTS:			
				

ENVIRONMENTAL REVIEW

Project No		No Reviewer	Reviewer			
1.		the Grantee created an Environmental Review Record (ERR) containing all origuments available for public review at the Grantee's address?	inal	☐ Yes	□ No	
2.	Doe	es the ERR contain the 'Determination of Level of Environmental Review' form's	•	☐ Yes	□ No	
	Indicate the level of environmental review completed for this project:					
		Exempt – Entire project, not separate activities.				
		Categorically Excluded Not Subject to Further Review (CENST)				
		Categorically Excluded Subject to Further Review (CEST)				
		Environmental Assessment (EA)				
		Environmental Impact Statement (EIS)				
3.	requ	here were any project <u>activities</u> Exempt from environmental review hirements, regardless of funding source, does the ERR contain the required appleted 'Finding of Exemption' form signed by the Grantee Certifying Officer?	☐ Yes	□ No	□ N/A	
4.	requ	the project required the CENST level of review, does the ERR contain the nired 'Categorically Excluded Not Subject To Further Review' form signed by Grantee Certifying Officer?	☐ Yes	□ No	□ N/A	
5.	Stat	the project required CEST level of review, does the ERR contain the required utory Checklist and all supporting documentation signed by the Grantee tifying Officer?	☐ Yes	□ No	□ N/A	
6.	envi	the project required an EA level of review, does the ERR contain the required ironmental assessment (CDBG EA or other agency approved and adopted EA) all supporting documentation signed by the Grantee Certifying Officer?	☐ Yes	□ No	□ N/A	
7.	The	DED release of funds occurred:				
		Prior to funding award – DED release of funds in the form of a letter				
		After funding award – DED Authority to Use Grant Funds form				
	Da	te of DED grant award:				
	Da	te ER completed/DED release of funds:				
8.	Doe	ss the ERR contain the actual DED release of funds?	☐ Yes	□ No	□ N/A	
	If N	/A, project as a whole is Exempt				
9.		re there any conditions and/or mitigation measures required for completion by the to the initiation of any physical work?	e Grantee	☐ Yes	□ No	
	miti	es, does the Grantee's ERR contain confirmation that all environmental condition gation measures were completed prior to the initiation of any physical work? Liporting documentation.		☐ Yes	□ No	
	If no	o, explain:				
10.		re there any conditions and/or mitigation measures required for completion by the project close out?	e Grantee	□ Yes	□ No	

	mitig inclu	s, does the Grantee's ERR contain confirmation that all environmental condition gation measures are complete? If yes, list the conditions and supporting docume ading applicable clearance letters, permits or certificates of completion. (MOA, ection/abatement, permits, etc.)	ntation,	☐ Yes	□ No
	If no	e, explain why and the Grantee's time frame and plan to complete the conditions,	/mitigation r	measures:	
11.		ere any evidence that project funds from any funding source, were expended prior of the DED release of funds?	or to the	☐ Yes	□ No
	If ye	s, explain:			
12.	For (CEST level of review, does the ERR contain the following:			
		N/A			
		Notice of Intent to Request Release of Funds			
		Affidavit of publication			
		If the RE received any written comments, does the ERR include copies as well as the Grantee's written responses resolving the issues? $(N/A-n)$ written comments received.)	☐ Yes	□ No	□ N/A
13.	For l	EA level of review, does the ERR contain the following:			
		N/A			
		Combined Notice – EA level of review			
		Affidavit of publication			
		If the Grantee received any written comments, does the ERR include copies as well as the Grantee's written responses resolving the issues? $(N/A-n)$ written comments received.)	☐ Yes	□ No	□ N/A
14.		e project required completion of the HUD 8-Step Decision Making Process for ects located in a floodplain/wetland, does the REE contain the following:			
		N/A			
		Documentation addressing all 8 steps in the decision making process			
		Early Public Notice			
		Notice of Explanation			
		If the Grantee received any written comments, does the ERR include copies as well as the Grantee's written responses resolving the issues? $(N/A - no written comments received.)$	☐ Yes	□ No	□ N/A

Changes in Project Scope:

15.	Were there any substantial changes in the project scope (i.e., project site expanded or moved, significant changes in project design, additional or different activities completed, etc.), regardless of funding source, after the initial review and DED release of funds? If yes, indicate the changes in the project scope.	☐ Yes	□ No
16.	If yes, were project changes reviewed for potential and/or actual environmental impacts? If no, explain and document the changes and/or activities not reviewed, for further DED examination.	☐ Yes	□ No
17.	If yes to the above, did changes require additional environmental public notices and a separate release of funds? If yes, are the notices and the additional DED release of funds contained in the ERR? If no, explain:	□ No	□ N/A □ No
18.	Is the Grantee in compliance with HUD 24 CFR Part 58 and MO CDBG Environmental Review Program Requirements? COMMENTS:	□ Yes	□ No

EQUAL OPPORTUNITY/CIVIL RIGHTS

Project No.			Keviewer				
1. DIRECT BENEFICIARIES:			2. DIRECT BENEFICIARY APPLICANTS				
"Total Direct Beneficiaries" will include all direct beneficiaries, including those of Hispanic ethnicity. "Hispanic Direct Beneficiaries" should include only those direct beneficiaries of Hispanic ethnicity.			"Total Direct Beneficiary Applicants" will include all direct beneficiary applicants, including those of Hispanic ethnicity. "Hispanic Direct Beneficiary Applicants" should include only those direct beneficiary applicants of Hispanic ethnicity.				
	Total Direct Beneficiaries	Hispanic Direct Beneficiaries		Total Direct Beneficiary Applicants	Hispanic Direct Beneficiary Applicants		
White:			White:				
Black/African American:			Black/African American:				
Asian:			Asian:				
American Indian/Alaskan Native:			American Indian/Alaskan Native:				
Native Hawaiian/Other Pacific Islander:			Native Hawaiian/Other Pacific Islander:				
American Indian/Alaskan Native & White:			American Indian/Alaskan Native & White:				
Asian & White:			Asian & White:				
Black/African American & White:			Black/African American & White:				
Am. Indian/Alaskan Native & Black/African Am.:			Am. Indian/Alaskan Native & Black/African Am.:				
Asian & Native Hawaiian/Other Pacific Islander:			Asian & Native Hawaiian/Other Pacific Islander:				
All Others:			All Others:				
TOTAL			TOTAL				
Female Head of Household:			Female Head of Household:				
Handicapped (Disabled):			Handicapped (Disabled):				
Elderly:			Elderly:				

3.	CD	OBG EMPLOYMENT			
	A.	Were any persons employed by the grantee specifically for the project?	☐ Yes	□ No	□ N/A
	B.	If yes, specify:			
		Did the grantee include equal opportunity guidelines in their advertising for positions paid by grantee? (See the Financial Management page, Section 4.D, if yes to above.)	☐ Yes	□ No	□ N/A
4.	FA	IR HOUSING EFFORTS			
	A.	List the actions the grantee has taken to affirmatively further Fair Housing. The each year (12 month period) of the project, beginning with the grant award date		ust conduct	an action
	В.	Are Fair Housing actions current?	☐ Yes	□ No	□ N/A
		Are Fair Housing actions current? List the actions the grantee has taken to address the Analysis of Impediments to must conduct an action each year (12 month period) of the project, beginning w	Fair Housi	ng Choice.	The grantee
		List the actions the grantee has taken to address the Analysis of Impediments to	Fair Housi	ng Choice.	The grantee
		List the actions the grantee has taken to address the Analysis of Impediments to	Fair Housi	ng Choice.	The grantee
	C.	List the actions the grantee has taken to address the Analysis of Impediments to	Fair Housi	ng Choice.	The grantee
5.	C.	List the actions the grantee has taken to address the Analysis of Impediments to must conduct an action each year (12 month period) of the project, beginning w	Fair Housi ith the gran	ng Choice. it award dat	The grantee e.
5.	D.	List the actions the grantee has taken to address the Analysis of Impediments to must conduct an action each year (12 month period) of the project, beginning we have the Analysis of Impediments to Fair Housing Choice actions current?	Fair Housi ith the gran	ng Choice. it award dat	The grantee e.
5.	D.	List the actions the grantee has taken to address the Analysis of Impediments to must conduct an action each year (12 month period) of the project, beginning w Are the Analysis of Impediments to Fair Housing Choice actions current?	Fair Housi ith the gran	ng Choice. It award dat	The grantee e.
5.	D. CO A. B.	List the actions the grantee has taken to address the Analysis of Impediments to must conduct an action each year (12 month period) of the project, beginning was a second or the project was a second or	Fair Housi ith the gran	ng Choice. It award dat	The grantee e.
	D. CO A. B. C.	List the actions the grantee has taken to address the Analysis of Impediments to must conduct an action each year (12 month period) of the project, beginning was a second or the project, beginning was a second or the project, beginning was a second or the Analysis of Impediments to Fair Housing Choice actions current? MPLAINTS Have any written equal opportunity/civil rights complaints been received? Were the complaints handled appropriately?	Fair Housi ith the gran	ng Choice. It award dat	The grantee e. N/A N/A N/A

PROCUREMENT

Pro	ject .	No Re	viewer					_				
1.	GE	NERAL REQUIREMENTS										
	A.	Does the city have a written procurement policy?		☐ Ye	es	□ No		I/A				
	B.	Does the city have a written conflict of interest policy?		□ Ye	es	□ No	□ N	I/A				
	C.	Whose procurement policy was used in this project?										
		Was it implemented correctly?		□ Ye	es	□ No		I/A				
2.	PR	OFESSIONAL SERVICES	Admin	istration	Engi	neering	<u>Ot</u>	<u>her</u>				
	A.	Did the grantee correctly prepare an RFP for administrators/professional service providers and RFQ for engineers/architects??	☐ Yes	□ No	☐ Yes	s 🗆 No	☐ Yes	□ No				
	B.	Did the RFP/RFQ identify the appropriate evaluation factors?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
	C.	Was the RFQ published in the newspaper of widest circulation?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
	D.	Was the solicitation of the RFP/RFQ adequate? (all firms on the CDBG administrator list contacted?)	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
	E.	Was the RFP/RFQ published in a minority newspaper?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
		If not, were an adequate number of MBE/WBE firms directly solicited?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
	F.	Does the grantee have minutes of contract award?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
		If not awarded to the lowest bidder, are selection criteria available?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
	G.	Were unsuccessful bidders notified in writing?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
	Н.	Did the grantee receive approval if less than three bids/proposals were received?	☐ Yes	□ No	☐ Yes	s 🗖 No	☐ Yes	□ No				
3.	CO	CONSTRUCTION										
	A.	Did the grantee use competitive sealed bids (contracts over \$25,000))?	□ Y€	es	□ No		I/A				
	B.	B. Did the advertisement require a bid bond, cashier's check, or other acceptable method for 5% of the bid?				□ No		J/A				
	C.	Did the advertisement contain language relating to labor provisions Federal prevailing wage certifications, bonding, Section 3, and equal employment opportunity (EEO)?		□ Ye	es	□ No		J/A				
	D.	D. Were descriptions of items/services on the invitation to bid clear and withor reference to specific brand requirements unless the brand was used as an example of functional or quality requirements?		t □ Yes		□ No		J/A				
	E.	Were bids advertised in the newspaper of widest circulation or the Report?	Dodge	□ Y€	es	□ No		J/A				
	F.	Were bids advertised in a minority newspaper?		☐ Ye	es	□ No		I/A				
	G.	If not, were an adequate number of MBE/WBE/Section 3 firms diresolicited?	ectly	□ Y€	es	□ No		J/A				
	H.	Were wage rates verified prior to opening bids?		□ Ye	es	□ No	□N	I/A				

	I.	Was a public meeting held to open bids and minutes in the file?	☐ Yes	□ No	□ N/A
	J.	Were fewer than three bids received for any contract?	☐ Yes	□ No	□ N/A
	K.	If so, did the grantee receive approval prior to awarding contract?	☐ Yes	□ No	□ N/A
	L.	Was the contract awarded to the lowest responsible bidder?	☐ Yes	□ No	□ N/A
	M.	If not, explain.			
	N.	Does the grantee have minutes of contract award?	☐ Yes	□ No	□ N/A
	O.	Were unsuccessful bidders notified in writing?	☐ Yes	□ No	□ N/A
4.	SM	ALL PURCHASES (less than \$2,500)			
	A.	Is there documentation of vendors, price quotations, and dates? (telephone bids, faxed bids, e-mails)	☐ Yes	□ No	□ N/A
	В.	Did the list of vendors include:			
		MBE/WBE firms?	☐ Yes	□ No	□ N/A
		Section 3 firms?	☐ Yes	□ No	□ N/A
	C.	Was selection purchased fairly?	☐ Yes	□ No	□ N/A
	D.	Was a purchase order/contract issued to the most advantageous vendor?	☐ Yes	□ No	□ N/A
5.	NC	NCOMPETITIVE PROPOSALS (Must be pre-approved by DED)			
	A.	Was the desired item available from only one source?	☐ Yes	□ No	□ N/A
		If no, were costs eligible?	☐ Yes	□ No	□ N/A
	B.	Did the grantee receive authorization for noncompetitive negotiation?	☐ Yes	□ No	□ N/A
	C.	Was competition determined to be inadequate after soliciting all known sources?	☐ Yes	□ No	□ N/A
	D.	Were the goods or services needed immediately to meet a public emergency?	☐ Yes	□ No	□ N/A
6.	Is t	he grantee's file for this compliance area complete?		☐ Yes	□ No
		COMMENTS:			

CONTRACT MANAGEMENT

Proj	ect No	o Re	viewer					
1.	PROF	ESSIONAL SERVICE CONTRACT REVIEW	Ad	<u>min</u>	Archite	ect/Eng	<u>Ot</u>	<u>her</u>
	A. N	lame of Contracted Firm:						
	В. А	amount of Contract						
		On the RFFs match the amount of CDBG participation in the contract (to date)?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	D. d	Oo the RFFs exceed the funding approval line item?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	E. If	f so, were grant amendments approved?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	F. Is	s there evidence the contract was paid in full using all sources?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
		s the contract based upon either lump sum or cost plus a fixed ee?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	H. Is	s an original (not photocopy) contract available?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	I. Is	s the original properly executed? (signed & dated)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
		old the grantee follow their own rules for executing this contract council action, attorney review)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	K. D	Does the date of the contract precede the award?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	L. If	so, is there a contingency clause?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	M. Is	s the pricing clear?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	N. Is	s the scope of services detailed enough?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	O. W	Vere contract amendments executed?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	i.	Is the amendment clear and specific?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	ii	Did both parties sign the amendment?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	ii	ii. Is amendment attached to the original contract?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
		s there an affirmative action plan for the professional service rovider in file? (not necessarily in contract documents)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	II	Pid the contract include the following: (look for CDBG form Part I Terms and Conditions from sample admin & engineering contracts)	□ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	T	itle VI, Civil Rights Act of 1964	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
		ection 3 (only applicable over \$100,000, look for similar to aragraph 8D p. 108)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	S	ection 109	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	S	ection 503	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	☐ No
	S	ection 504	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	☐ No
	A	ge Discrimination Act of 1975	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	☐ No
	E	executive Order 11246 (only over \$10,000) (p. 102)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	A	anti-Lobbying (only over \$100,000) (p. 30)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
2.	CON	STRUCTION CONTRACT REVIEW		<u>1</u>	<u>,</u>	<u>2</u>	<u>.</u>	<u>3</u>
	A. N	Jame of Contracted Firm:						

В.	Amo	unt of Contract:						
C.	Do th	ne RFFs match the amount of CDBG participation in the ract?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
D.	Do th	ne RFFs exceed the Funding Approval line item?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
E.	If so,	were grant amendments approved?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
F.	Is the	ere evidence contract was pd in full using all sources?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
G.	Is the	e contract based upon either lump sum or unit price?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
H.	Is an	original contract available?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
I.	Is the	e original properly executed (signed & dated)?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
J.		the grantee follow their own rules for executing this contract action, attorney review)?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
K.		he right parties sign (CEO/Mayor or Presiding missioner/assignee)?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
L.	bid d	neral, are all of the parts of the contract included (original ocuments, contract form, general conditions, plans and fications) and bound to one set of contract documents?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
M.	Were	e addenda a part of the bid process?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
N.	If so,	are they noted clearly in the contract?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
O.	Were	e contract amendments (change orders) executed?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	iv.	Are they clear and specific?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	v.	Do they detail cost?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	vi.	Are they dated and numbered?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
P.		e the change orders approved by the grantee (not just neer)?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
Q.	Is the	e change order attached to the original contract?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
R.	Spec	ifically, does the construction contract include:						
	i.	A copy of the bid bond. Irrevocable letter of credit or other acceptable instrument (for contracts less than \$100,000)? (look at bid tab or in contract documents)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	ii.	If an irrevocable letter of credit from a FDIC bank was issued in place of a performance bond, do irrevocable status and dates cover the life of the project?	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	iii.	Performance bond (over \$25,000) (p. 65)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	iv.	Payment bond (over \$25,000) (p. 67)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	v.	Labor Standards Provisions (p. 90)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	vi.	Anti-Kickback Act (p. 93)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	vii.	Anti-Lobbying Certification (p.64)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
	viii.	Contractor (may be on bidder form) certification on:						
		1. EEO (p. 45)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No
		2. Section 3 (p. 46)	☐ Yes	□ No	☐ Yes	□ No	☐ Yes	□ No

	3. Labor Standards (p. 57)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
ix.	Subcontractor certifications on:			
	1. EEO (p. 57)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	2. Section 3 (p. 60)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	3. Labor Standards (p 61)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
х.	Section 3 plan (p. 50)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
xi.	Section 3 contractor forms (A,B,C,D) (p. 52-55)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
xii.	Have forms C & D been updated at end of contract?	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
xiii	. Relevant state prevailing wage determination	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
xiv	. Relevant Federal prevailing wage determination	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
XV.	General Conditions (CDBG or equivalent)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
xvi	. HUD Supplemental Conditions, containing at least:			
	1. Executive Order 11246 (p. 101)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	2. Affirmative Action Goals (p. 102)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	3. Section 3 (p. 108)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
xvi	i. Appendix 1, containing at least:			
	1. Title VI, Civil Rights of 1964 (p. 111)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	2. Title VIII, Civil Rights of 1968 (p. 111)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	3. Section 109 (p. 111)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	4. Section 503 (p. 111)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	5. Section 504 (p. 112)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	6. Age Discrimination Act of 1975 (p. 112)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	7. Executive Order 11063 (p. 112)	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
. Is the gra	antee's file for this compliance area complete?		☐ Yes	□ No
CO	MMENTS:			

LABOR STANDARDS

Pro	Project No Re		eviewer			
1.	GE	NERAL				
	A.	Are wage rages correct as shown in the contract(s)?		1 Yes	☐ No	□ N/A
	В.	Are all contractors and subcontractors licensed to do business in M in good standing with the Secretary of State's Office? (Exception proprietorship with non-fictitious name.)	viibbouii uiid	Y es	□ No	□ N/A
	C.	Is the contractor verification clearance correspondence in the file?		Y es	□ No	□ N/A
	D.	Is the Start of Construction Notice on file?		1 Yes	□ No	□ N/A
	E.	Is the Pre-Construction Conference Report on file?		Y es	□ No	□ N/A
	F.	Is there a bulletin board in a central location at the work site wher provisions, wage determinations, health & safety regulations, Depwage notices, and the bilingual EEO notice are posted?	C EEC	Y es	□ No	□ N/A
2.	PA	YROLL REVIEW				
	A.	Was the first payroll submitted to DED for each contractor and su	bcontractor?	1 Yes	□ No	□ N/A
	B.	Are payrolls signed by employer or authorized representative?		1 Yes	□ No	□ N/A
	C.	Was a statement of compliance submitted with each payroll?		1 Yes	□ No	□ N/A
	D.	Is the employer IRS identification number on record?		1 Yes	□ No	□ N/A
	E.	Do the payrolls contain the following for each employee:				
		i. Name?		1 Yes	□ No	□ N/A
		ii. Address?		1 Yes	□ No	□ N/A
		iii. Social Security Number?		1 Yes	□ No	□ N/A
		iv. Work classification?		1 Yes	□ No	□ N/A
		v. Hourly rates of wages paid?		1 Yes	□ No	□ N/A
		vi. Daily number of hours worked (including any overtime)?		1 Yes	□ No	□ N/A
		vii. Weekly number of hours worked (including any overtime)?		1 Yes	□ No	□ N/A
		viii. Deductions made?		1 Yes	□ No	□ N/A
		ix. Gross and net wages paid?		1 Yes	□ No	□ N/A
	F.	Do wage rates on payrolls equal the rates in the wage decisions?		1 Yes	□ No	□ N/A
	G.	If split work classifications, have separate daily time records been	kept?	1 Yes	□ No	□ N/A
	H.	If fringe benefits are paid into a plan, is amount/hour documented	?	1 Yes	□ No	□ N/A
	I.	Has grantee reviewed payrolls?		1 Yes	□ No	□ N/A
	J.	Has overtime been correctly paid?		1 Yes	□ No	□ N/A
3.	EM	IPLOYEE INTERVIEWS				
	A.	List number of employee interviews conducted:				
	B.	Were a representative number of trades covered for all contractors	s?	Y es	□ No	□ N/A
	C.	Were interviews compared against payrolls for compliance?		Yes	□ No	□ N/A

	D. Were interviews compared against wage rates for compliance?		☐ Yes	☐ No	□ N/A	
	E. Were interviews signed by payroll examiner (labor standards office	er)'	? □ Yes	□ No	□ N/A	
4.	Is the grantee's file for this compliance area complete?			☐ Yes	☐ No	
	COMMENTS:					
5.	WAGE RATE COMPLIANCE					
	A. Federal Wage Decision:	В.	State Annual Wage Or	der:		

Straight Time Compliance

Pay	Name	Craft or	Rate Paid		State Rate			Federal Rate				
No.		Classification	Basic	Fringe	Total	Basic	Fringe	Total	Basic	Fringe	Total	App
		l		Overtim	e Compliar	nce						<u> </u>
	Т	T		Overtim		<u>ICC</u>	T				Г	Т

NOTES:

ACQUISITION

П	ject No Reviewer	 	
1.	What type of acquisition was required:		
	Full Title	☐ Yes	□ No
	Permanent Easement	☐ Yes	□ No
	Long Term Lease	☐ Yes	□ No
	Right of Way	☐ Yes	□ No
	Temporary Easement (If checked, not subject to Uniform Act)	☐ Yes	□ No
	Acquired from another public entity (If checked, not subject to Uniform Act)	☐ Yes	□ No
2.	Is there a separate file of each necessary acquisition?	 ☐ Yes	□ No
3.	Does each file contain the following:		
	File Name:		
	Proof of overaghin (Title or Dead)		
	Proof of ownership (Title or Deed)		
	HUD Brochure (hand delivered or certified mail)		
	Waiver of Rights to Just Compensation (if applicable)		
	Waiver Right to an Appraisal (if applicable)		
	If appraisal is not waived, a copy of the appraisal or determination of value in file.		
	Copy of Review appraisal (if applicable)		
	Was value of property valued at \$10,000 or less? If yes, was the value based on a review of available market data (e.g., recent sales data, court awards, etc.)		
	Written offer to purchase (hand delivered or certified mail)		
	Proof of receipt of payment (if applicable)		
	Recorded appropriate acquisition instrument (full title, permanent easement, long term lease, and right-of-way) (this should correspond to question #1)		
4.	Were all grantee's costs paid related to the acquisition and transfer of title (e.g., recording boundary surveys, legal descriptions, mortgage penalties, transfer fee, pro-rated taxes, little expense, etc.)?	☐ Yes	□ No
5.	Were any grant funds used to clear the title? (no grant funds may be used to clear title)	☐ Yes	□ No
6.	If condemnation was required, does the judgment equal the amount paid?	☐ Yes	□ No
7.	Is the grantee's file for this compliance area complete?	☐ Yes	□ No
	COMMENTS:		

RELOCATION

Project No Reviewer						
1.	GE	NER	AL			
	A. Is there a separate relocation file for each displacee?		☐ Yes	□ No	□ N/A	
2.	NC	TICE	S			
	A.		the displacee receive the grantee's Notice of Eligibility For Relocation stance?	☐ Yes	□ No	□ N/A
		i.	Hand delivered signed receipt?	☐ Yes	□ No	□ N/A
			or			
		ii.	Certified mail receipt?	☐ Yes	□ No	□ N/A
	B.	Did	the displacee receive the applicable HUD brochure?	☐ Yes	□ No	□ N/A
	C.	If ye	es, check the brochure received.			
			"Relocation Assistance to Tenants Displaced from Their Homes"			
			"Relocation Assistance to Displaced Homeowners"			
			"Relocation Assistance to Displaced Businesses, Nonprofit Organization and Farms"	ns,		
		i.	Hand delivered signed receipt?	☐ Yes	☐ No	□ N/A
			or			
		ii.	Certified mail receipt?	☐ Yes	☐ No	□ N/A
	D.	If ap	plicable, did the displacee receive the 90-day Advance Notice to Move?	☐ Yes	□ No	□ N/A
		i.	Hand delivered signed receipt?	☐ Yes	□ No	□ N/A
			or			
		ii.	Certified mail receipt?	☐ Yes	□ No	□ N/A
		iii.	Date of Notice:			
		iv.	Date occupant required to move:			
3.	RE	NTAI	L AGREEMENTS			
	A.		e grantee permitted an owner or tenant to occupy the real property acquire the rent charged equivalent to the fair rental value of the property?	d,	□ No	□ N/A
	B.	Is th	ere a short-term lease agreement in the file?	☐ Yes	□ No	□ N/A
4.	DE	TERN	MINATION OF DISPLACEE NEEDS BY GRANTEE			
	A.	For	families and individuals, are the following claim forms in the file:			
		i.	Tenant Assistance or Downpayment Assistance?	☐ Yes	□ No	□ N/A
		ii.	Replacement Housing Payment for 180-Day Homeowners?	☐ Yes	□ No	□ N/A
		iii.	Moving and Related Expenses?	☐ Yes	□ No	□ N/A
			☐ Fixed			
			☐ Actual			

		businesses, nonprofit organizations, and farm operations, are the following m forms in the file:			
	i.	Actual Reasonable Moving and Related Expenses?	☐ Yes	□ No	□ N/A
	ii.	Fixed Payment in Lieu of Payment for Actual Moving and Related Expenses?	☐ Yes	□ No	□ N/A
5.	DONA	TION OF DISPLACEE PROPERTY			
	A. Did	the displacee donate their property in lieu of relocation payment?	☐ Yes	☐ No	□ N/A
	i.	If yes, was a signed donation/waiver in the file?	☐ Yes	□ No	□ N/A
	ii.	Hand delivered signed receipt?	☐ Yes	□ No	□ N/A
		or			
	iii.	Certified mail receipt?	☐ Yes	□ No	□ N/A
6.	PAYMI	ENT DOCUMENTATION			
	A. Is the	here payment documentation for: (i.e., copy of canceled check)	☐ Yes	☐ No	□ N/A
	i.	Relocation assistance?	☐ Yes	□ No	□ N/A
	ii.	Moving expenses?	☐ Yes	□ No	□ N/A
7.	COMPA	ARABLE REPLACEMENT UNIT DOCUMENTATION			
		he "Selection of Most Representative Comparable Replacement Dwelling" in the file?	☐ Yes	□ No	□ N/A
		s a referral to at least one comparable replacement dwelling included in the ice of eligibility for relocation assistance?	☐ Yes	□ No	□ N/A
		here evidence that the grantee inspected the replacement dwelling to ermine that it met the decent, safe, and sanitary standards?	☐ Yes	□ No	□ N/A
8.	LAST F	RESORT UNIT DOCUMENTATION			
	A. Has	the grantee determined that:			
	i.	The unit is not feasible to rehabilitate? (i.e., rehabilitation cost estimate exceeds \$15,000)	☐ Yes	□ No	□ N/A
	ii.	No comparable replacement unit exists in the grantee's jurisdiction? (i.e., copy of letter from realtor addressing the unavailability of comparable replacement units)	☐ Yes	□ No	□ N/A
9.	INTER	VIEW OF PROJECT DISPLACEE			
	A. Did	the displacee receive notice of eligibility for relocation assistance?	☐ Yes	□ No	□ N/A
	B. Wa	s the grantee's relocation assistance payment adequate?	☐ Yes	□ No	□ N/A
	C. Wa	s the grantee's moving expenses payment adequate?	☐ Yes	□ No	□ N/A
	D. We	re the grantee's advisory services sufficient?	☐ Yes	□ No	□ N/A
		es the displacee consider the grantee's treatment and relocation assistance to fair and reasonable? (interview)	☐ Yes	□ No	□ N/A

10. SE	CTION 104(d) ANTIDISPLACEMENT COMPLIANCE			
A.	Has the grantee demolished or converted any occupiable low to moderate income dwellings?	☐ Yes	□ No	□ N/A
B.	Has DED determined that the grantee has a sufficient number of low to moderate income units to grant an exception to the one-for-one replacement requirements?	☐ Yes	□ No	□ N/A
C.	If not, does grantee have a specific one-for-one replacement plan approved by DED?	☐ Yes	□ No	□ N/A
D.	Was the displacee notified of relocation assistance available under 104(d), including option to choose Uniform Act Relocation Assistance?	☐ Yes	□ No	□ N/A
E.	Which relocation assistance did the displacee choose?	□ 104(d)	☐ Unifor	m Act
11. Is t	he grantee's file for this compliance area complete?		☐ Yes	□ No
	COMMENTS:			

DEMOLITION

Gra	antee	Date
Pro	oject No.	Reviewer
1.	How many units or structures were demolished with CDBG funds?	?
2.	How many structures were proposed for demolition in the Funding	g Approval?
3.	Was a demolition contractor procured?	☐ Yes ☐ No ☐ N/A
4.	Were structures vacant for more than 12 months?	☐ Yes ☐ No ☐ N/A
5.	If not, is Section 104d One-for-One Plan available fore review?	☐ Yes ☐ No ☐ N/A
6.	Is the 104d Plan in compliance (old 104d replacement units affordation)	able to LMI families)? \square Yes \square No \square N/A
7.	SAMPLE FILE REVIEW	House # House # House #
		Yes, No, N/A Yes, No, N/A Yes, No, N/A
	A. Was there a demolition inspection write-up for each demolished a bid specification document?	ed unit, or
	B. Were the units inspected for asbestos?	
	C. Was the asbestos inspector certified by DNR?	
	D. Did the inspector find friable asbestos?	
	E. If so, was a licensed abatement contractor procured?	
	F. Was the asbestos waste disposed of at a sanitary landfill, demo- landfill, or a hazardous waste facility?	olition
	G. Is an asbestos post-notification form in the file for each demole or structure?	lition unit
	H. Was the demolition debris disposed of at a sanitary landfill or demolition landfill?	
	I. Are landfill receipts in each demolition file?	
	J. Was there hazardous waste in any demolition debris?	
	K. If so, was the hazardous waste disposed of at a facility that spe in hazardous waste disposal?	ecializes
	L. Are receipts from the hazardous waste facility in the file of eac demolition?	ch such
	M. If local in-kind included fire department exercises:	
	i. Is there a copy of the DNR burn permit in the file?	
	ii. Was asbestos/hazardous material removed prior to burni	ing?
	iii. Has the site been completely cleared?	
8.	Is the grantee's file for this compliance area complete?	☐ Yes ☐ No
	COMMENTS:	

ECONOMIC DEVELOPMENT

Pro	oject N	No		Revi	iewer						
1.	GEN	NERAL									
	A.	Company(s) Involved:									
		Name	Jobs to	be Created/Retaine	ed	Existing Emp	oloyees				
		LMI Company Owners:									
		Name									
		D: (D () D (
		Private Investment Release Date Pledged private investment:									
		Amount of private investment do									
		Does this amount meet or exceed			☐ Yes	□ No	□ N/A				
							— 1771				
2.		G. Other contributions:									
۷.			retained:								
		A. Number of pledged jobs created/retained: B. If pledged job creation/retention goals have not been reached, explain why not and when this goal will be achieved.									
			•								
	C.	Was payroll listing, including da	tes of hire, availa	ble and reviewed?	☐ Yes	□ No	□ N/A				
		Was payroll listing compared to			☐ Yes	□ No	□ N/A				
	E.	Is job documentation on file with	n the grantee?		☐ Yes	□ No	□ N/A				
	F.	Breakdown of jobs and applican	ts:								
		Name	Present Employment	New/Retained Jobs	Number Low/Mod Income	Number Low Income	Number Very Low Income				

	Jo	bs	Applicants	
	Total Direct Beneficiaries	Hispanic Direct Beneficiaries	Total Direct Beneficiaries	Hispanic Direct Beneficiaries
White:				
Black/African American:				
Asian:				
American Indian/Alaskan Native:				
Native Hawaiian/Other Pacific Islander:				
American Indian/Alaskan Native & White:				
Asian & White:				
Black/African American & White:				
Am. Indian/Alaskan Native & Black/African Am.:				
Asian & Native Hawaiian/Other Pacific Islander:				
All Others:				
TOTAL				
Female Head of Household:				
Handicapped (Disabled):				
Elderly:				

MICROENTERPRISE

Project No		No	Reviewer			
1.	GE	NERAL				
	A.	Non LMI Company(s) Involved: Name	Jobs to be Created/Retained	Exi	sting Emplo	oyees
		LMI Company Owners: Name	Jobs to be Created/Retained	Exi	isting Emplo	pyees
			ent and release of funds for each company?	☐ Yes	□ No	□ N/A
2						
2.		-SITE REVIEW	- 000 01 0 10	D.V.	□ Na	D NI/A
		Is there a job created for every \$15	☐ Yes	□ No	□ N/A	
		•	were made?	☐ Yes	□ No	□ N/A
		Were Loans made for eligible acti		☐ Yes	□ No	□ N/A
		Are there an income surveys avail	MI owners?			
	F.	•	etained:			
			oals have not been reached, explain why not			
	Н.	Was payroll listing, including date	es of hire, available and reviewed?	☐ Yes	□ No	□ N/A
	I.	Was payroll listing compared to E	mployment Status Statements?	☐ Yes	□ No	□ N/A
	J.	Is job documentation on file with	the grantee?	☐ Yes	□ No	□ N/A
	K.	Do jobs meet the full time perman	ent definition?	☐ Yes	□ No	□ N/A
	L.	Have individual loans exceeded \$2	25,000?	☐ Yes	□ No	□ N/A
	M.	If job retention has occurred, is the	☐ Yes	□ No	□ N/A	
	N.	Has the local microenterprise program guidelines established?	gram delivery been consistent with the local	☐ Yes	□ No	□ N/A
	O.	Is there evidence of a loan review	board representing fair loan decisions?	☐ Yes	□ No	□ N/A

	Project	/Grant Administrat	ion				
P. Is there an executed contract	for every microen	terprise loan mad	le?	☐ Yes	□ No	□ N/A	
Q. Has a RLF been established a	and is there a track	king method for re	epayment?	☐ Yes	□ No	□ N/A	
R. Has a file been established fo	r each microenter	prise applicant?		☐ Yes	□ No	□ N/A	
S. Does each microenterprise fil income status statements, cur			(contract,	☐ Yes	□ No	□ N/A	
T. Has the original \$100,000 of	loan funds been lo	oaned to microent	terprise?	☐ Yes	□ No	□ N/A	
U. Of the loans without LMI ow provided to LMI persons (list		f the jobs created	been				
Name	Present Employment	New/Retained Jobs	Number Low/Mod Income		er Low come	Number Ve	•
		Compan		Con	pany Nan		
		Total Direct Beneficiaries	Hispanic Direct Beneficiaries	Total Direct Beneficiarie	t D	spanic Direct eficiaries	
White:							
Black/African American:							
Asian:							
American Indian/Alaskan Native:							
Native Hawaiian/Other Pacific Isl	ander:						
American Indian/Alaskan Native	& White:						
Asian & White:							
Black/African American & White	:						
Am. Indian/Alaskan Native & Bla	ck/African Am.:						
Asian & Native Hawaiian/Other P	acific Islander:						

TOTAL

All Others:

Elderly:

Female Head of Household:
Handicapped (Disabled):

V. Is applicant documentation on file with the grantee?		☐ Yes	□ No	□ N/A
W. Breakdown of applicants:	T			
	Compan	y Name		
	Total Direct Applicants	Hispanic Direct Applicants		
White:				
Black/African American:				
Asian:				
American Indian/Alaskan Native:				
Native Hawaiian/Other Pacific Islander:				
American Indian/Alaskan Native & White:				
Asian & White:				
Black/African American & White:				
Am. Indian/Alaskan Native & Black/African Am.:				
Asian & Native Hawaiian/Other Pacific Islander:				
All Others:				
TOTAL				
Female Head of Household:				
Handicapped (Disabled):				
Elderly:				
MICROENTERPRISE				
A. Has educational component described in application been success	ssfully	☐ Yes	□ No	□ N/A

3.

implemented and documentation of file?

MICROENTERPRISE

(complete this form for each loan)

Grantee		Project No			
Use of funds:					
Loan made to (name of company)		Amount of Loan		\$	
		Pledged Private Inve	stment	\$	
		Other Contributions		\$	
Total amount of project:		x 70% =			
Does Microenterprise loan exceed 70°	% of the total project cost?	•	☐ Yes	□ No	□ N/A
Does loan exceed \$25,000?			☐ Yes	□ No	□ N/A
Non LMI Company?	☐ Yes ☐ No	LMI Company Ov	vners?	☐ Yes ☐	l No
Name Jobs to be Created/Retained			E	xisting Emplo	yees
Are income surveys available to prove	e the LMI status?		——— Yes	□ No	□ N/A
Was payroll listing, including dates of	f hire, available and reviev	ved?	☐ Yes	□ No	□ N/A
Is there a job created for every \$15,00	00 of loan funds?		☐ Yes	□ No	□ N/A
Was Loan made for eligible activities	?		☐ Yes	□ No	□ N/A
If pledged job creation/retent	tion goals have not been re	eached, explain why not	and when the	nis goal will be	e achieved.
Was payroll listing compared to Empl	loyment Status Statements	?	☐ Yes	□ No	□ N/A
Do jobs meet the full time permanent	definition?		☐ Yes	□ No	□ N/A
(Two permanent part-time jo	bs are equal to one permai	nent full-time position)			
<u>Does file contain the following</u> :					
Executed contract?			☐ Yes	□ No	□ N/A
Proof of ownership? (land & building	g purchases)		☐ Yes	□ No	□ N/A
Environmental assessment?			☐ Yes	□ No	□ N/A
SHPO clearance?			☐ Yes	□ No	□ N/A
Has a RLF been established and is the	ere a tracking method for re	epayment?	☐ Yes	□ No	□ N/A
Has a file been established for each m	icroenterprise applicant		☐ Yes	□ No	□ N/A
Has educational component been imp	lemented and documentati	on of file?	☐ Yes	□ No	□ N/A
Was construction or rehab a part of th	e project?		☐ Yes	□ No	□ N/A
Was prevailing wage paid correctly?			☐ Yes	□ No	□ N/A

DED CONFLICT OF INTEREST PROGRAM POLICY

The Community Development Block Grant Program, Department of Economic Development, State of Missouri, developed a conflict of interest policy in August 1983, relating to participation in contract selection, award, and administration. Since that time, this issue has arisen in other areas of the program. The State agreed, when it accepted the program in 1982, to abide by 24 CFR 570.611 of the Federal Regulations (conflict of interest) for the Community Development Block Grant Program. In an attempt to further clarify this issue for the State's program, the State has adopted, as of March 1, 1987, the following position on conflict of interest, incorporating the August 1983 policy and extending the policy further to address other areas as provided in 24 CFR 570.611.

Standard of Conduct Involving Conflict of Interest

1. **Persons Covered:** The conflict of interest provisions of this policy shall apply to any person who is an employee, elected or appointed official, agent, consultant, officer, or any immediate family member* or business partner of the above, of the recipient, or of any designated public agencies, or sub-recipients which are receiving funds from the Missouri Community Development Block Grant program.

* Immediate family is defined as husband, wife, son, daughter, father, mother, grandparent, grandchild, stepchild, adopted child, foster child, and wards.

2. Applicability:

- a. In the area of procurement of supplies, equipment, construction, and services by recipients, sub-recipients, or designated public agencies, the conflict of interest provisions in 24 CFR 85.36 or OMB Circular A-110, as applicable, shall apply.
- b. In all cases not governed by 24 CFR 85.36, the provisions of this policy shall apply. Such cases include the acquisition and disposition of real property and the provisions of assistance by the recipient or sub-recipients to individuals, businesses, and other private entities in the form of grants, loans, or other assistance through eligible activities of the program which authorize assistance.
- 3. **Conflicts Prohibited:** Except for approved eligible administrative or personnel cost, no persons described in 1 above who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under the State program or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the State CDBG Economic Development Program, the above restrictions shall apply to all activities that are a part of the funding approval for all projects, and shall cover any such interest or benefit during, or at any time after, such person's tenure.
- 4. **Exception:** The State may, on a case by case basis, grant an exception to Section 3 above after a determination has been made by the State that the exception will serve the purposes of the Housing and Community Development Act of 1974 and the State's adopted Final Statement for each year therefor only after the recipient has provided to the State the following written documentation:
 - a. A disclosure of the nature of the conflict accompanied by an assurance that there has been a public disclosure of the conflict and a description of how the public disclosure was made (which may include either a public hearing or an appropriate comment period); and

b. An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

Standard of Determining Exception

In determining whether to grant an exception, after the above two items have been received, the State shall consider the following factors, where applicable:

- 1. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- 2. Whether an opportunity was provided for open competitive bidding or negotiation;
- 3. Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- 4. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
- 5. Whether the interest or benefit was present before the affected person was in a position as described in Section 3;
- 6. Whether undue hardship will result either to the recipient or the person affected when weighted against the public interest served by avoiding the prohibited conflict; and
- 7. Any other relevant considerations.

If after all considerations, determination is made to grant an exception, the State shall issue a waiver noting such exception and the conditions and basis of the issuance of same.

PROPERTY MANAGEMENT

Introduction

During the course of a CDBG project, recipients may purchase a variety of items necessary to successfully carry out implementation. Depending on its nature and value, there must be an accounting for property acquired with CDBG monies in accordance with the provisions of 24 CFR 85, as modified by 24 CFR 570, Subpart J.

There are two broad classifications of property that may be acquired with CDBG monies. These are as follows:

- 1. Real Property land, including improvements, structures, and appurtenances; and
- 2. Personal Property includes all property that is not considered real property such as equipment, desks, computers, lumber, tools, supplies, or intangible items. Intangible items include patents, inventions, and copyrights. Personal property is further classified as:
 - Non-expendable all tangible property having a useful life of more than one year and an acquisition cost of \$3000 or more per unit, such as computers; and
 - Expendable personal property all tangible property other than non-expendable items, such as office supplies and construction materials.

Title to real property acquired in whole or in part with CDBG monies shall vest with the community as long as it is used for its authorized CDBG eligible purpose. If real property is no longer needed for authorized CDBG purposes, the CDBG recipient shall request disposition instructions from DED as follows:

The amount of compensation shall be computed by applying the percentage of DED/Federal participation in the cost of the original purchase to the current fair market value of the property. For example, if the DED participation was 50% in the program and the fair market value of the equipment at the time of disposition is \$20,000, DED shall be reimbursed \$10,000. The Department may utilize the option of a 20-year straight-line depreciation schedule to determine repayment, if deemed appropriate, with the grantee's consent.

This rule extends to real property purchased, constructed, or rehabilitated with CDBG funds for grant recipients and sub-recipients.

A CDBG recipient may use non-expendable personal property for community development activities as long as it is needed, even if DED is no longer needed for the original program. The property should be used in conjunction with other Federally-sponsored activities in the following order:

- Activities sponsored by HUD; and
- Activities sponsored by other Federal agencies.

Disposition of non-expendable personal property should take the same form as the explanation of real property.

DED regulations require maintaining effective control over all property acquired in whole or in part with CDBG funds. In addition, recipients are required to assure that it is used solely for authorized purposes.

DED requires the maintenance of a property register as an integral part of effective control over and accountability for all CDBG acquired property. All categories of property may be recorded on this single register, though separate registers should be kept for each project if the community administers

more than one grant. When such property is purchased with CDBG funds, enter the applicable date on the register using the procedures described below. For example, in the case of real property, you may want to record the previous owner of a purchased parcel of land. Recipients may also wish to maintain a property management card for each item obtained.

All purchased property must be adequately controlled and safeguarded. For example, real property, such as buildings, should be adequately equipped with security devices. Non-expendable property, such as desks and computers, should be reasonably protected from theft. In addition, the receipt and issuance of expendable personal property must be controlled.

Procedures

- 1. Identify all assets in real and non-expendable personal property for each CDBG grant.
- 2. Classify all assets according to the following classification scheme:
 - a. real property
 - 1. land acquired
 - 2. land improved
 - 3. buildings and facilities
 - 4. equipment non-moveable
 - b. non-expendable personal property
 - 1. valuation \$1 \$300
 - 2. valuation \$301 4,999
 - 3. valuation \$5,000 or more
- 3. Conduct a complete inventory of all property assets at two-year intervals or at project close-out.
- 4. Identify all non-expendable personal property by a tag permanently affixed to it which provides the following information:
 - a. CDBG grant and year
 - b. I.D. number
- 5. Maintain a property register for each CDBG grant. The register shall consist of a current and complete listing of all property acquisitions and dispositions. If, as part of the close-out process, the grantee is directed to compensate DED or the Federal government for its share of the property, then the method used to determine the fair market value should be noted.
- 6. In addition to the information contained on the register, a Property Management Card file for each item may be maintained to:
 - a. provide a continuous record of the current value of the property;
 - b. maintain coding classification references, location, and use information; and
 - c. provide a subsidiary file tied to the property register.
- 7. For expendable personal property, such as that used in housing rehabilitation projects (lumber and electrical fixtures), there must be:
 - a. adequate records of the receipt of goods, issuance of goods, and balance of items on hand;

- b. documentation of the person who authorized the issuance of goods;
- c. documentation of the location, such as a house or project, to which the goods were delivered; and
- d. documentation of the individual who received the goods.

Other expendable personal property, such as office supplies, does not need this level of control. However, items must be adequately safeguarded.

PROGRAM ADMINISTRATION HELPFUL HINTS

- ❖ Lack of attention to compliance slows project progress.
- Poor paperwork organization spells trouble.
- Assigning one point of contact with the city or county eases communication and lessens misunderstanding.
- * Remember that the responsibility of the grant rests with the city or county.
- * Keep a set of records at the city hall or county courthouse.
- Monitor yourself before the state monitors you.
- ❖ Conflict of interest cannot be fixed after it occurs. Recognize it and take action ahead of time.
- Real property purchased with CDBG funds is subject to repayment if it changes hands.

(More helpful hints can be found at the end of Chapters II through XI.)